

LEVY AREAS In The FIR

What is a Levy Area?

A LEVY AREA exists when a municipality chooses to strike different sets of General Purpose Tax Rates for different parts of the municipality. This situation can arise for various reasons, but most often occurs in municipalities which have recently restructured. The 'new' municipality maintains a different level of taxation in the 'former' municipalities which combined to form this 'new' municipality. This concept does not exist for municipalities which strike uniform General Purpose Tax Rates throughout the entire municipality.

LEVY AREAS are simply separate 'parts' of a municipality, in which all the 'parts' together make up the 'whole' municipality. Thus, the entire municipality is divided into several LEVY AREAS, or parts. In other words, all of the LEVY AREAS together make up the entire municipality, and a unique set of General Purpose Tax Rates is applicable to each unique LEVY AREA.

It is important to recognize that this is different from a Special Area Levy. In general, a Special Area Levy only applies to a unique area within the municipality (which is not usually the entire municipality). Also, a special area levy is of a specific TYPE, for example, fire or transit, which is separate from the General Purpose Levy of the municipality.

How are Levy Areas Set-up?

Unless informed otherwise, the Ministry assumes that municipalities **do not** to have any Levy Areas. Municipalities that have different sets of General Purpose Tax Rates for different parts of the municipality should contact the Ministry to have Levy Areas set-up. The Ministry will assign a single letter code to each Levy Area in a municipality. For municipalities which have a single, uniform set of general purpose tax rates, the Levy Area is "0".

The following table shows an example of how the Town of Saugeen Shores is separated into three Levy Areas for the former municipalities of Saugeen Tp, Southampton T, and Port Elgin T:

Municipality name	Part	Levy Area
Town of Saugeen Shores	Entire Municipality	"0"
Saugeen Tp	Former municipality	s
Southampton T	Former municipality	h
Port Elgin T	Former municipality	p

Levy Area = "0" refers to the entire municipality, while each of the parts consisting of the former municipalities are assigned a single letter Levy Area of "s", "h", and "p". In this example, the new municipality of Saugeen Shores would be able to enter 3 different sets of General Purpose Tax Rates for former Saugeen Tp, former Southampton T, and former Port Elgin T.

Municipalities with a uniform set of General Purpose Tax Rates should enter information in LEVY AREA "0".

To set-up LEVY AREAS in your Municipality, please email the Ministry: FIR@mah.gov.on.ca